

Kentucky Strategic Plan for Economic Development

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ANNUAL REPORT



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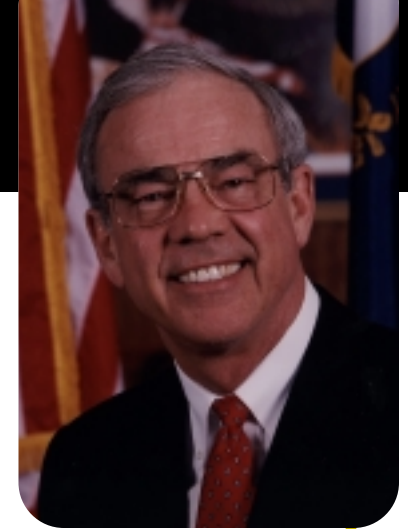
Jean Wells

Vice President

Wells Health Systems



THE GOVERNOR'S LETTER



Dear Citizens,

Kentucky's economy has never been stronger. New industries and new jobs have been brought to all areas of the state. Since 1995, industrial investments have totaled over \$13 billion, creating over 131,000 new jobs with unemployment rates the lowest in 22 years. Industrial investments in 1999 totaled \$2.5 billion and were responsible for the creation of almost 29,000 new jobs. Companies have found that our central location, quality workforce and positive business climate make Kentucky a desirable place to locate.

We've made great strides in our goal to improve the standard of living for the citizens of Kentucky, and we must work even harder in the coming year to ensure that we continue to bring prosperity to the state. Providing our families with good jobs, early childhood programs to ensure our children get a healthy start, and strong educational opportunities at all levels to maintain a skilled and competitive workforce are all-important factors in creating a successful economy.

I commend the Kentucky Cabinet for Economic Development for its excellent work during the past year, and I look forward to working with the Cabinet and other state agencies to achieve economic success for all Kentuckians.

HIGHLIGHTS OF THIS YEAR

A

Total non-farm employment grew 2.4 percent from the previous year to over 1.79 million. Manufacturing employment reached an all-time high of almost 321,000.

B

High technology and Internet related service and support industries played an increasingly important role in the state's economy. Major announcements included distribution centers for Amazon.com in Lexington and Campbellsville, and the Internet-based pharmacy DrugEmporium.com in Louisville.

C

The Kentucky Community Technical College System provided industry training for 94,074 students representing 2,404 companies. The system developed and implemented training programs for such major employers as UPS, SHPS and Bell South.

Sincerely,

Paul E. Patton **Governor**

Kentucky closed out the decade of the 1990s on a continuing trend of low unemployment, numerous company announcements/expansions and a record number of net new jobs created. We believe Kentucky is on firm footing for growth and progress in the 21st century.

Last year Kentucky garnered excellent rankings in several categories that measure economic development activity nationwide. The Commonwealth ranked first in the U.S. for new jobs created per one million population for 1997-99, up from third, according to *Site Selection Magazine's* annual expansion scoreboard. Kentucky also ranked sixth for new and expanded facilities and seventh for capital investment per one million residents for the same period. For the first time, Kentucky entered the top ten for the number of new and expanded global facilities coming in tenth.

These rankings show that Kentucky continues aggressively to pursue economic opportunities for its citizens. And, the Kentucky Strategic Plan for Economic Development continues to guide the Cabinet's efforts throughout the Commonwealth.

Kentucky is a viable contender in the global economic development arena and has a strong track record in partnering with businesses. We could not accomplish this without the cooperation of the private sector, local and state government, the

Kentucky General Assembly, and our many economic development partners throughout the Commonwealth. I look forward to working with all of you as we build upon our success over the last decade.

Sincerely,

A handwritten signature in gold ink that reads "Marvin E. Strong Jr." with a stylized flourish at the end.

Marvin E. Strong Jr. **Secretary**



The Commonwealth of Kentucky is experiencing an era of extraordinary economic growth and stability. The 1990s have presented Kentucky with an economic environment of technological innovation, generationally low inflation, and subdued interest rates. This prosperous era has enhanced Kentucky's economy in virtually every measure of economic performance. Kentucky's gross state

OVERVIEW OF THE ECONOMY

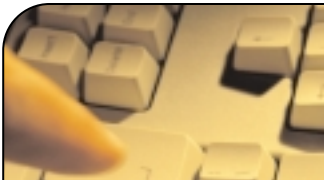

1999 ACCOMPLISHMENTS

The following highlights the 1999 accomplishments of Kentucky's economic development efforts:

In 1999, 26,660 net new jobs were announced for Kentucky, with an investment of more than \$2.4 billion.

The total net new jobs announced in 1999 represents an all-time high for Kentucky.

Sixty-eight new manufacturing firms located in Kentucky in 1999, creating 5,675 new jobs and an investment of \$565.7 million. Thirty-eight new supportive/service companies located in Kentucky in 1999 creating 7,703 new jobs with an investment of \$198.3 million. Forty-three supportive/service firms announced expansions, creating 7,655 new jobs and an investment of \$313.4 million. Manufacturing firms created 7,723 new jobs through expansion with more than \$1.4 billion of total investment.

		JOBS CREATED IN KENTUCKY 1982 TO 1999									
		1982	1983	1984	1985	1986	1987	1988	1989	1990	
	Total Jobs Created	11,599	11,370	22,009	23,334	21,177	26,329	23,606	17,131	21,161	
	Net Jobs Created	5,460	4,960	18,251	19,384	17,142	23,065	19,150	13,651	17,263	
		1991	1992	1993	1994	1995	1996	1997	1998	1999	
	Total Jobs Created	8,058	18,705	17,422	26,329	21,628	21,704	21,145	30,028	28,756	
	Net Jobs Created	3,974	14,522	13,931	23,917	17,906	18,098	17,322	25,602	26,660	

product exceeded \$100 billion for the first time in 1997. One quarter of a million more Kentuckians are currently employed in the Commonwealth compared to the beginning of the decade. Furthermore, annual unemployment rates in Kentucky have declined to their lowest levels since 1973. These virtues enjoyed during Kentucky's long economic expansion are projected to continue well into the future. The University of Kentucky Center for Business and Economic Research projects Kentucky's gross state product to grow between 2.5 percent and 2.6 percent annually during 2000 to 2002.

MAJOR EXPANSIONS 1999

Ford Motor Company

Ford's Kentucky Truck Plant in Louisville announced a new investment of \$174 million. The facility employs more than 4,000 in the production of medium and commercial light trucks. The expansion will result in a significant increase in production capacity, 800 new jobs, and the addition of a new version of a current vehicle to the company's product line.

Aisin Automotive Casting

Aisin Automotive Casting will expand its Laurel County facility with an investment of 47 million in new building and equipment, and create 183 new jobs. Aisin produces aluminum die cast components for the automotive industry.

Guardian Automotive

Guardian Automotive in Morehead announced an expansion of operations in 1999. The company manufactures exterior automotive components. Guardian Automotive will invest \$24 million in the project, creating 150 new jobs.

Huish Detergents

Huish Detergents announced a \$60 million expansion of its facility in Warren County. The expansion will create 200 new jobs. Huish makes laundry and dish detergents, fabric softeners, and other household cleaning products.

Lexmark International

Lexmark International, a world leader in laser and inkjet printer technology, will add 700 new jobs in an expanded research and development function at its Lexington headquarters. The company will invest \$70 million in new construction to accommodate the expansion.



Amazon.com

Amazon.com, a leading online retailer acquired two distribution facilities in Campbellsville and Lexington. The company's Kentucky distribution centers will enhance the company's effort to develop a significant distribution infrastructure to provide customers nationwide and around the world with fast, reliable shipping directly from the company. The company's investment is over \$75 million and total combined jobs could reach as many as 1,500 employees.

Harman-Motive

Harman-Motive, a subsidiary of Harman International, announced a \$7.5 million investment to build a manufacturing facility in Franklin, Kentucky. The company is a leading global producer of branded automotive sound systems under the brands of JBL, Infinity, Harman Kardon, and Becker. The Franklin operation is projected to employ 170 persons and will make premium branded speakers.

LINPAC Materials Handling

LINPAC Materials Handling, the manufacturer of molded plastic ROPAK reusable container systems, will locate a facility in Bardstown employing 85 people initially and investing \$38.2 million. The Bardstown plant will mold, assemble and ship bulk collapsible containers worldwide.

Amfine Chemical

Amfine Chemical Corporation announced construction of a facility in Hopkinsville, employing 40 people upon completion. The company's projected investment is \$25 million. Amfine is a joint venture between Asahi Denka Kogyo K.K. and Mitsubishi Corporation. The Hopkinsville plant will be Amfine's first production plant in the U.S. The plant will produce plastics additives used in the production of plastics for automotive, food and medical packaging, building and construction materials, furniture, and other consumer goods industries. The additives are used to make plastics more resilient and to inhibit the effects of UV light from the sun, which causes plastic to become brittle.

Applied Card Systems

Applied Card Systems will open a new customer service center in Russell, investing \$37.5 million in the operation.

The company services VISA and MasterCard customers primarily for Cross Country Bank, a leading national issuer. Total jobs at the Russell facility could number up to 800 over the next two years.

NEW CABINET WEB SITE

The Cabinet for Economic Development launched a new Web site in February 1999. A few highlights of the new site follow.

Kentucky Business Guide

An entrepreneur's online guide to starting or expanding a business in Kentucky, the Business Guide covers the many components of starting a business from business plans to licensing and taxes. A comprehensive section on business financing has also been added to the Cabinet's Web site.

Electronic One-Stop Licensing Program

The one-stop licensing program went online to help users streamline the state business license and permit process. The program allows users to instantly receive a complete listing of all licenses that could be required at the state level. The program is a cooperative effort between the Kentucky Secretary of State's Office, EMPOWER Kentucky, and the Kentucky Cabinet for Economic Development with assistance from the Kentucky Community and Technical College System.

Bluegrass State Skills Corporation (BSSC) Web Site

BSSC's new Web site provides easy access for companies to obtain online information on the Grant-in-Aid program and the Skills Training Investment Credit. The application process for the Grant-in-Aid program may be completed online. The site also contains an electronic training directory enabling companies to search and contact training providers in their area.

The Kentucky Economic Development Information System (KY EDIS)

The Kentucky Economic Development Information System (KY EDIS), a GIS-based comprehensive, interactive data and information system, has been designed, developed and implemented. The KY EDIS is designed to be fully accessible via the Web. The system gives Kentucky the ability to compete in attracting industry and jobs in an information age by providing site, building and community information online on the Internet.



Kentucky Manufacturing Skill Standards

A task force has worked to develop standards that address concerns in the areas of academic, employability and occupational skills. Representatives of a number of educational organizations, the Workforce Development Cabinet, and the Cabinet for Economic Development through the Bluegrass State Skills Corporation (BSSC) worked with manufacturers to facilitate this skill standards initiative. The BSSC Board of Directors approved a grant to fund 50 percent of the total cost of \$199,700 for developing assessment instruments at the basic and advanced levels.

Bluegrass State Skills Corporation (BSSC) Training Projects

In 1999, BSSC awarded grants totaling more than \$6.3 million to fund 284 projects to 277 Kentucky companies. Workers will receive entry level, skills upgrade or related skills training. BSSC funded 30 training consortia projects with more than \$3.8 million. In 1999, 15 consortia were approved for funding totaling \$513,095. BSSC approved \$396,157 in skills upgrade training through the Skills Training Investment Credit program.

Kentucky Investment Fund Act

The Kentucky Investment Fund Act was adopted by the 1998 General Assembly and became effective July 1, 1999. The act allows for the establishment of privately operated venture capital funds in which investors are able to obtain credits against Kentucky personal and corporate income tax and corporate license fees. The Kentucky Economic Development Finance Authority has approved Kentucky Venture Fund, LLC as the program's first investment fund and approved Venture Management Group Inc. as the fund's manager.

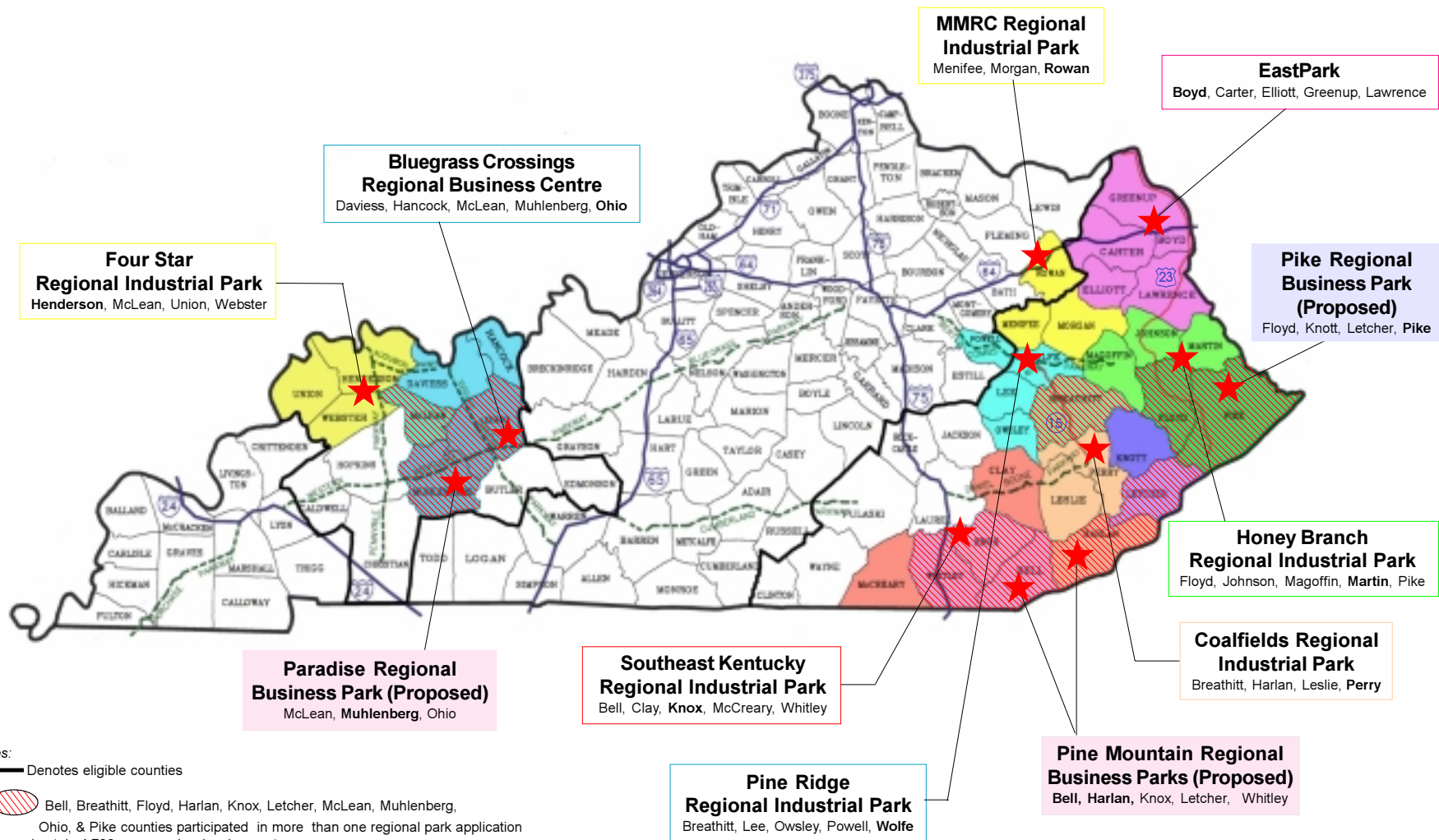
Regional Business Park Program

Announced in 1999, the Southeast Regional Industrial Park was created from a five-county partnership of Knox, Bell, Clay, McCreary and Whitley counties. The Local Government Economic Assistance Program will fund an estimated \$5.8 million in acquisition and improvement costs to the park, located in Knox County. The Office of Coal County Development administers the program, which now includes six parks.

Kentucky Procurement Assistance Program (KPAP)

KPAP is a business assistance program designed to help Kentucky businesses sell their products or services to federal, state and local governments. In 1999, KPAP's total economic effect on Kentucky was an additional inflow of \$92.2 million in government contract dollars.

Local Government Economic Development Fund Regional Business Parks



Map Revised 5-11-00

NEW MANUFACTURING FIRMS OF 50 OR MORE IN EMPLOYEES 1999

CITY	COMPANY	EMPLOYEE	INVESTMENT ^s	PRODUCT
				
Bardstown	Ropak (Linpac)	184	38,200,000	<i>Collapsible containers</i>
Benton	Miller's Country Hams Inc.	64	1,990,000	<i>Hams</i>
Benton	Silk Tree Factory	80-300	3,000,000	<i>Silk flowers & accessories</i>
Bowling Green	S-R of Kentucky Inc.	300	25,000,000	<i>Plastic products</i>
Campbellsville	Campbellsville Apparel	200	4,975,000	<i>T-shirts</i>
Carrollton	Celotex	120	74,126,000	<i>Gypsum wallboard</i>
Cumberland	Parkway Knitting Inc.	60	3,422,000	<i>Socks</i>
Elizabethtown	Summit Polymers Inc.	150	7,200,000	<i>Plastic auto parts</i>
Erlanger	Miami Computer Supply Corp.	206	40,350,000	<i>Office automation supplies</i>
Flemingsburg	Bluegrass Housing	140-150	-	<i>Doublewide mobile home frames</i>
Frankfort	Kaysun Corp.	50-100	504,000	<i>Plastic products</i>
Franklin	Harman-Motive	170	7,571,000	<i>Automotive Speakers</i>
Franklin	Novatape	24-150	-	<i>Pressure tape</i>
Fulton	Letica Corp.	100	13,000,000	<i>Plastic shipping containers</i>
Glasgow	Champion Wood Products	50	3,000,000	<i>Cabinet components</i>
Harrodsburg	CDR Mfg. Inc.	30-100	1,850,000	<i>Electronic circuit boards</i>
Henderson	Hydro Aluminum Metal	50	33,000,000	<i>Aluminum remelting products (Norsk Hydro)</i>
Hodgenville	Clayton Homes Inc.	200	-	<i>Multi-section homes</i>

CITY

COMPANY

EMPLOYEE

INVESTMENT\$

PRODUCT

Hopkinsville	Amfine Chemical	100	25,000,000	Specialized chemicals
Hopkinsville	FP International	60	8,200,000	Polyethylene foam
Hopkinsville	Toyo Radiator Co., Ltd.	96	12,411,000	Auto heat exchangers
Jackson	Lytton Inc.	50	1,739,000	Circuit board assembly
Lebanon	Appalachian Fresh Food	125-200	8,000,000	Food processing processors
Lexington	Kito USA	15-55	3,450,000	Welding equipment
Louisville	Plastech Engineered Products	200-275	24,300,000	Plastic components for Ford
Madisonville	Period Furniture	400	5,800,000	Furniture
Mayfield	U.S. Ceramics Corp.	80	2,000,000	Ceramic tile products
Monticello	Blinds & Designs	300	1,300,000	Window coverings
Paris	Prime Finish/Hamilton	100	4,600,000	Product coating hargraves
Pine Knot	Cheatwood Flooring	130	12,124,227	Hardwood flooring
Princeton	AFAB/AFCO Racing Products	50	2,500,000	Race car parts
Shelbyville	Noble Metal Processing	100	18,000,000	Ford parts
Silver Grove	Lafarge Corp.	100	100,000,000	Gypsum wallboard
Walton	Zotefoams	50-130	25,000,000	Block foams

TOTALS:





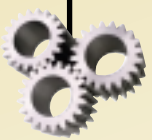
34

4,880

\$511,612,227






CONTINUED

EXPANDING MANUFACTURING FIRMS OF 50 OR MORE IN EMPLOYEES 1999

CITY	COMPANY	EMPLOYEE	INVESTMENT\$	PRODUCT
				
Barbourville	Jackson MSC	85	5,000,000	Commercial dishmachines
Bardstown	Bird Vinyl Products	90	800,000	Vinyl siding
Bardstown	Polyair Packaging	120	1,090,000	Polyethylene foam packaging
Bardstown	Tower Automotive	62	1,925,000	Structural stampings for automotive ind.
Berea	Matsushita Electric Motor	50	2,000,000	Electric motors co.
Berea	Tokico (USA) Inc.	50	9,300,000	Auto parts
Bowling Green	Eagle Ind.	185	4,325,000	Oak furniture
Bowling Green	Fort James	50	7,000,000	Paper plates
Bowling Green	Holley Performance Products	100	5,500,000	Auto parts
Bowling Green	Huish Detergents	200	60,000,000	Detergents
Cadiz	Chelsea Ind.	60	400,000	Wire frames for car seating
Campbellsville	Cox Interiors	100	3,354,000	Wood products
Cave City	Tekno, Inc.	60	1,300,000	Industrial conveying equip.
Dunnville	Tarter Gate Wood Products	57	2,100,000	Sawmill
Elizabethtown	Altec Inc.	50	3,500,000	Aerial devices
Elizabethtown	Dana Corp.	150	54,000,000	Truck frames
Florence	Mubea Inc.	51	16,820,000	Auto suspension springs
Florence	SSE Manufacturing	54	31,180,000	Pizza
Georgetown	Johnson Controls	180	6,840,000	Auto seating
Ghent	North American Stainless	100	260,000,000	Stainless steel sheet
Glasgow	Amak Brake LLC	56	17,677,000	Automotive brake pads & calipers
Greensburg	Greensburg Mfg.	50	2,975,000	Pianos

CITY	COMPANY	EMPLOYEE	INVESTMENT\$	PRODUCT
Hawesville	NSA/Southwire	100	124,000,000	Primary aluminum
Henderson	CPS Corp.	50	800,000	Gift wrap & accessories
Hopkinsville	CoPar Inc.	96	12,500,000	Industrial radiators
Hopkinsville	Douglas Autotech	50	2,000,000	Steering columns
Hopkinsville	IG Autotrim	65	-	Auto headliners
Ledbetter	National Maintenance & Repair	60	4,908,000	Barges
London	Aisin Automotive Casting	183	47,000,000	Automotive components
Louisville	Anson Ind., LLC	57	1,000,000	Precision machining
Louisville	Ford Motor Company	800	173,639,000	Trucks
Louisville	MedVenture Technology Corp.	200	4,000,000	Tool & die
Louisville	Raytheon	70	-	Weapons
Louisville	Tova Industries	50	4,320,000	Dry foods, bakery mixes
Louisville	Tube Turns	180	3,500,000	Axles, shafts
Ludlow	Duro Bag	120	4,000,000	Bags
Madisonville	Lear Midwest Automotive	70	9,474,868	Sub assemblies for Ford
Marion	Siemens	10-84	-	Modules for electronic devices
Mayfield	Seaboard Farms of Ky.	150	42,000,000	Poultry processing
Monticello	American Woodmark	135	3,400,000	Cabinets
Morehead	Guardian Automotive	150	24,000,000	Automotive - exterior components
Paducah	Trees N Trends	90	2,975,000	Home decor accessories
Russell Springs	Stephens Pipe & Steel	100	6,150,000	Chain link fence
Somerset	Glen Oak Lumber & Milling	70	1,500,000	Hardwood millwork products
Williamsburg	Firestone	25-50	12,000,000	Air springs
Williamsburg	TCA Inc.	65-75	1,100,000	Electro mechanical assembly
Winchester	Wintech	70	13,865,000	Electrical components
TOTALS:		47	\$995,217,868	

NEW SUPPORTIVE/SERVICE FIRMS



CITY	COMPANY	EMPLOYEE	INVESTMENT\$	PRODUCT
				
Barbourville	DataTrac Information	300	4,700,000	Inbound call center services
Campbellsville	Amazon.com	500-1,000	37,681,500	Distribute music, books
Campbellsville	Frost Arnett	75	2,000,000	Call center
Campbellsville	National Data Questing	100	500,000	Call center; data collection
Campbellsville	Rosenbluth Intl.	188	1,885,000	Travel service
Cedar Grove	Computer Service Express	100-200	-	Computer repair corp.
Corbin	CDG Management	200	-	Call center
Covington	Intelcare Inc.	80	925,000	Telemarketing/service ctr.
Harlan	CDG Management	100	2,000,000	Outbound call center
Hazard	Sykes Enterprises Inc.	430	-	Computer software tech. support ctr.
Hebron	GATX Logistics	80	1,600,000	Distribution
Lexington	Amazon.com (MGB Inc.)	200-500	37,500,000	Distribute music, books
Lexington	Ohio Casualty	113	2,500,000	Regional claims office
London	National Order Processing	350-400	1,625,000	Order fulfillment
Louisville	Customized Transportation	64	10,000,000	Distribution
Louisville	DrugEmporium.com	100	2,102,000	Internet pharmacy
Louisville	Federal Express	120	10,000,000	Service
Louisville	GATX Logistics	80	10,000,000	Distribution
Louisville	Guess? Inc.	300	34,000,000	Distribution center
Louisville	Master Lock Co./Fortune Brands	50-100	1,400,000	Distribution
Louisville	MSX International	200	50,000	Service
Louisville	Supply Chain Solutions	212	2,500,000	Distribution
Middlesboro	Civic Development Group	200	1,000,000	Call center
Morehead	Family Dollar Stores Inc.	500	-	Distribution center
Morganfield	Sykes Enterprises	432	-	Computer technical support
Pikeville	Sykes Enterprises Inc.	430	-	Computer software tech. support ctr.
Russell	Applied Card Systems	800	6,000,000	Customer service center
Russell Springs	Unlimited Security Marketing	166	1,018,970	Outbound call center

TOTALS:

28

7,470

\$170,987,470

CITY	COMPANY	EMPLOYEE	INVESTMENT\$	PRODUCT
				
Erlanger	Toyota	70	15,400,000	Headquarters
Florence	Shire Richwood	64	9,291,600	Headquarters-Pharmaceuticals
Glasgow	WIT Postal Logistics	90	2,385,000	Magazine finishing services
Hebron	AmeriServe Food Distr.	172	2,005,000	Distr. - food/paper prod.
Lexington	Lexmark	700	70,000,000	Printers - research & development
Louisville	Agora Interactive	161	15,008,590	Communications systems
Louisville	Airline Reporting Corp.	55	2,600,000	Processing center
Louisville	APB Energy Inc.	80-100	2,417,940	Service
Louisville	Bank One Corp.	315	1,000,000	Payment processing
Louisville	BTBZone.com	280	5,500,000	Computer software
Louisville	Clarke American Checks	65	5,621,000	Administrative support center
Louisville	CSX Transportation	70	9,825,000	Corporate office
Louisville	Dairyland Computer & Consulting	65	2,124,500	Medical services
Louisville	Darwin Networks	98	3,209,000	Internet services
Louisville	First Select Corp.	1,021	31,088,500	Service/support center
Louisville	Iron Max	60	2,164,000	Purchasing
Louisville	Nationwide Credit Inc.	200	6,523,412	Credit collection
Louisville	Tumbleweed	62	1,500,000	Headquarters, commissary
Louisville	Vine Co./Interactive Systems	80	1,166,900	Service industry
Owensboro	Williams-Texas Gas Co.	50-60	-	Headquarters, pipeline co.
Paducah	Duke & Long Distributing Co.	101	2,020,000	Corporate headquarters
Paducah	Service Script Inc.	60	1,200,000	Hdq., distr. ctr. - medical supplies
Russell	Addington Enterprises	300	4,500,000	Corp. headquarters

TOTALS: 23 4,249 \$196,550,442

GRAND TOTALS: 132 21,684 \$1,874,368,007

STRATEGIC PLAN

In 1992 the Kentucky General Assembly enacted KRS 154.10-120 mandating preparation of a state strategic plan for economic development. The Kentucky Economic Development Partnership adopted the Kentucky Strategic Plan for Economic Development in May 1994. The Plan was developed to generate a dynamic course of action to foster and focus Kentucky's economic development efforts.

HOW IT ALL WORKS

The Partnership is composed of **13** members.

8 private sector members represent each of the state's congressional districts and various sectors of the state's economy.

The secretaries of **4** Cabinets- *Economic Development, Finance and Administration, Natural Resources and Environmental Protection,* and *Tourism Development* serve as public sector, ex-officio members.

The Governor serves as chairman of the Partnership.

From the start of the strategic planning process in 1994, the Partnership has sought broad-based input and participation of public and private individuals and organizations. Other agencies of state government are active with various tactics of the Plan as well. Public/private sector cooperation remains a driving force in realizing a common mission for improving Kentucky's economy.

THE VALUES ARE:

1 Openness and honesty

2 Respect for people as individuals

3 Being results oriented

4 Innovation and risk

5 A commitment to being the best

5 overriding values

and a mission statement

govern the operation

of the Cabinet and Strategic Plan.

The mission statement adopted by the Partnership as part of the Strategic Plan is:

To Create More and Higher Quality Opportunities for All Kentuckians by Building an Expanding Sustainable Economy.

FRAMEWORK FOR KCED'S EFFORTS

The Kentucky Strategic Plan for Economic Development provides a framework for "creating more and higher quality opportunities for all Kentuckians."

The Strategic Plan is organized under **5** major goals, which are subdivided into *strategies*, which in turn are subdivided into *tactics*. Completion of **37** tactics has been accomplished through the work of Kentuckians representing each geographic area of our diverse state, including **9** considered completed in 1999.

There are currently **62** tactics in the Plan, although many of these have completed their tasks and are considered finished. Tactic teams are composed of members from the public and private sectors, with a team leader from the private sector and a facilitator from the Cabinet assisting the team in its work.

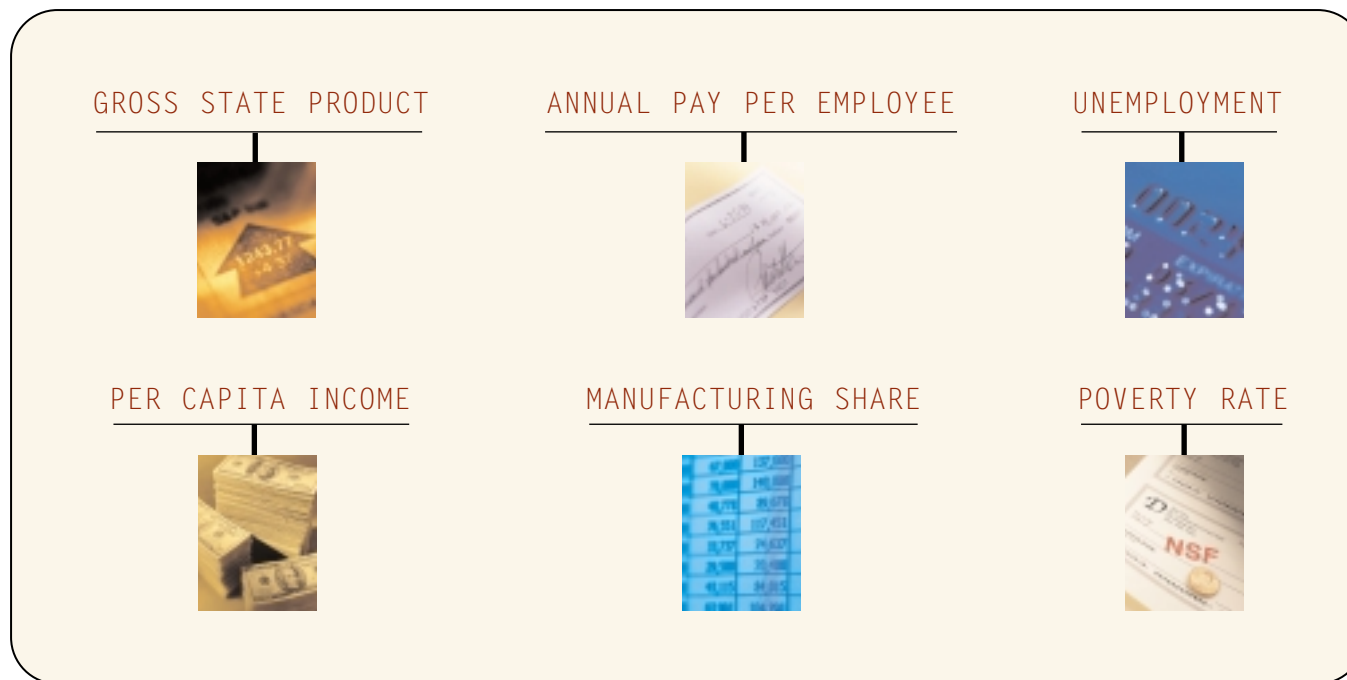
FIVE MAJOR GOALS:

- | | |
|---------------|--|
| GOAL 1 | Build and maintain consensus to implement the mission |
| GOAL 2 | Reduce unemployment and increase per capita income |
| GOAL 3 | Create a globally competitive business environment |
| GOAL 4 | Manage resources to maximize return on investment |
| GOAL 5 | Manage Kentucky's natural resources and cultural assets to ensure long-term productivity and quality of life |

The Kentucky Economic Development Partnership has created a series of benchmarks in conjunction with KRS 154.10-140 which are designed to provide information on whether Kentucky's economy is keeping pace or falling behind compared to the Commonwealth's competitor states and the nation. The partnership selected six economic indicators as benchmarks in 1997:

MEASURING OUR PROGRESS

BENCHMARKS



Each of these benchmarks has contributed to Kentucky's historic economic expansion. Nevertheless, Kentucky's strong economic expansion has generally been a reflection of the consequential economic expansion which has been achieved nationally. Regardless of Kentucky's enduring economic performance,

Kentucky is experiencing mixed results while attempting to reach the assigned economic benchmarks designated for the year 2000.

Gross State Product

Kentucky's gross state product (GSP) has increased every year since 1991 (1992 constant dollars). The gross state product in the Commonwealth has increased by 54.5 percent from 1990 to 1997. Kentucky's per capita gross state product for 1997 was 87.3 percent of the national average. Kentucky's benchmark goal for 2000 is to grow to 89 percent of the national average. In 1994, Kentucky contributed 1.253 percent of the nation's gross domestic product. During 1997, Kentucky contributed 1.235 percent to the nation's gross domestic product.

Annual Average Pay Per Employee

Salaries for Kentuckians have increased annually throughout the 1990s. However, the strong growth in wages nationally has increased at a faster rate than Kentucky's. When compared to the United States, Kentucky's annual pay per employee is 84 percent of the national average (1997). This percentage has declined slightly since 1994. Kentucky's benchmark goal for 2000 is to grow to 87 percent of the national average.

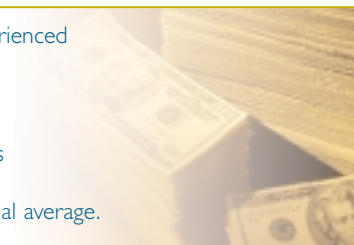
Unemployment

Kentucky's benchmark goal is to reduce unemployment to 16 percent below the national average for the year 2000. Kentucky's annual unemployment rate for 1999 was 4.5 percent, placing Kentucky above the national unemployment rate of 4.2 percent. Kentucky's competitor state average annual unemployment rate was 3.9 percent. While Kentucky's urban areas (those with populations of 75,000 or more) are below the national average, Kentucky counties with populations below 50,000 are above the national unemployment rate. Kentucky counties with populations of 50,000-75,000 equal the national unemployment rate. Future employment growth is expected to be the highest for retail trades, business services, and health care services sectors during the 2000 to 2002 period.



Per Capita Income

The gap between Kentucky's per capita incomes and the nation has remained relatively stable during recent years. However, Kentucky has experienced modest percentage gains in per capita incomes as compared to the national average from the baseline year of 1994 to 1998. During 1998 Kentucky's per capita income increased to \$21,551, as compared to \$26,482 nationally and \$23,638 for Kentucky's competitor states. Kentucky's 1998 per capita income was 81.4 percent of the national average. Kentucky's benchmark goal for 2000 is to grow to 84.0 percent of the national average.



Manufacturing Share

Kentucky is significantly more heavily involved in the manufacturing sector of the economy than is the nation as a whole.

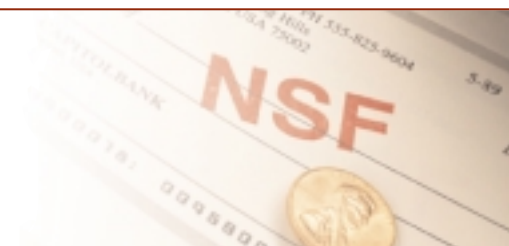
Kentucky's manufacturing share for 1997 was 126.5 percent of the national average. The benchmark established for Kentucky's economy is

126 percent of the national average for the year 2000. Kentucky's competitor states have experienced slight declines in their manufacturing share as compared to the nation since 1994. Kentucky's competitor states held a 127.9 percent manufacturing share in 1997.

47,000	137,000
70,000	140,000
48,778	89,678
70,551	117,451
33,737	74,637
29,500	70,400

Poverty

Kentucky's poverty level has proven to be a substantive cultural, economic and educational concern for the Commonwealth. In 1989, Kentucky's poverty level was 45 percent above the national poverty rate. The state poverty rate declined in 1995 to 29.7 percent of the national rate. Reducing Kentucky poverty to 29 percent of the United States poverty level is the benchmark goal for 2000.



GOAL 1-BUILD AND MAINTAIN CONSENSUS TO IMPLEMENT THE MISSION

Strategy 1.1

Communicate the Economic Development Mission to the Citizens of the Commonwealth

Tactic 1.1.1

Maintain and market a current presentation package on Kentucky's economic development efforts to be used by local organizations and the Economic Development Cabinet

Performance Milestones

Annual-Number of presentations made

Annual-Number of copies distributed

Team Facilitator: Pamela Trautner

Team Leader: Tom Harris

Summary of Activities

A video of economic development activities has been produced and sent to economic development offices around the state. The video will be used during speaking engagements by the local economic development leaders and Cabinet officials, and will be offered to various clubs and community organizations throughout the state.

Tactic 1.1.2

Publish quarterly newsletter and create other media opportunities to inform the general public, business leaders and government officials about Kentucky's economic development progress

Performance Milestones

Annual-Number of newsletters distributed

Team Facilitator: Pamela Trautner

Team Leader: Tom Harris

Summary of Activities

Circulation of the Cabinet's quarterly newsletter is approximately 8,000 in the state. A fax-on-demand system provides informational fact sheets on doing business in Kentucky.

Tactic 1.1.3

Create systemized approach for Cabinet officials to conduct interviews with local, state and national news media to communicate Kentucky's economic development efforts

Performance Milestones

Annual-Number of news releases issued

Annual-Number of media outlets contacted

Team Facilitator: Pamela Trautner

Team Leader: Tom Harris

Summary of Activities

Approximately 250 state, regional and national media outlets are routinely contacted through news releases issued by the Cabinet. All press releases are posted on our new Web site, including archived press releases from the past. Secretary Strong wrote an op ed letter that was published in the Lexington Herald-Leader.

Tactic 1.1.4

Communicate the economic development mission to the citizens of the Commonwealth

Performance Milestones

Annual-Number of existing industry ads

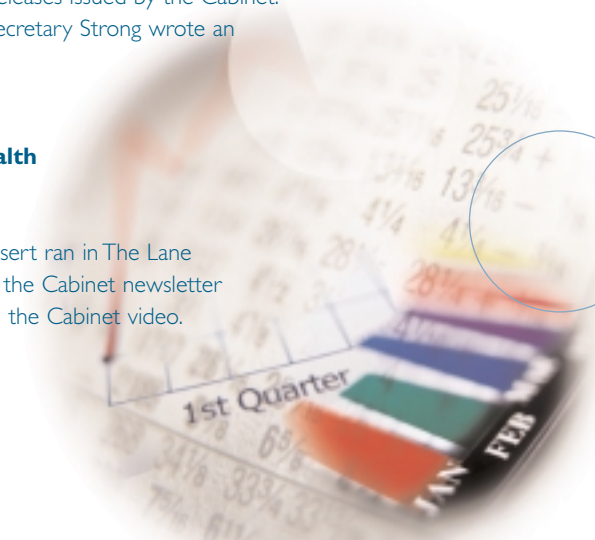
Annual-Number of news releases issued

Team Facilitator: Pamela Trautner

Team Leader: Tom Harris

Summary of Activities

The Cabinet developed a 12-page insert focused on services to Kentucky's existing businesses. The insert ran in The Lane Report and Kentucky Business Viewpoint. Expansions of existing industries continue to be featured in the Cabinet newsletter and are communicated to the news media. The role of existing industry expansions is also featured in the Cabinet video.



Strategy 1.2	Involve Business, Industry, Labor and Individual Kentuckians in Support and Implementation of the Economic Development Plan
Tactic 1.2.1	Involve economic development groups and business leaders in the Cabinet's economic development efforts, including the Strategic Plan
Performance Milestones	Annual: Number of groups or business leaders involved in economic development efforts Team Facilitator: Terri Wellman Team Leader: Sandy Napper
Summary of Activities	The Cabinet is included in planning KIDC quarterly meetings and provides a 15-30 minute Cabinet update at each meeting. Cabinet staff are involved with several Kentucky Chamber of Commerce Board committees, Renaissance Kentucky, numerous welfare reform efforts, the Commission on Human Services Collaboration, and several other initiatives.
Tactic 1.2.2	Present an economic development progress report at the annual Labor/ Management Conference and other annual statewide conferences sponsored by agencies affected by the Strategic Plan including Natural Resources, Agriculture and Tourism
Performance Milestones	Annual-Number of presentations made at statewide conferences Team Facilitator: Janet Williamson Team Leader: Gary Moberly
Summary of Activities	The annual Labor/Management Conference was held September 14-16, 1999, at Kentucky Dam Village State Resort Park. Attendance was the largest to date with 948 registered participants.
Tactic 1.2.3	Recognize the efforts of tactic team leaders and members and others involved in economic development efforts in Kentucky
Performance Milestones	Annual-Number of recognition efforts Team Facilitator: René True Team Leader: Darrell Gilliam
Summary of Activities	The Governor's Economic Development Leadership Summit recognizes outstanding leadership efforts in economic development. Tactic team leaders are recognized in the Annual Report.
Strategy 1.3	Ensure Continuing Involvement of All State Government Agencies and the Kentucky Legislature
Tactic 1.3.1	Conduct an annual briefing for the Governor, other elected officials and Cabinet secretaries on the progress of the state's economic development efforts, including the Strategic Plan
Performance Milestones	Annual-Number of briefings Team Facilitator: Gene Strong Team Leader: Gene Strong
Summary of Activities	Strategic Plan progress is communicated at the staff meetings.

Tactic 1.3.2

Performance Milestones

Summary of Activities

Meet with each Cabinet and relevant state agencies to develop specific actions to support the state's economic development efforts, including the Strategic Plan

Annual-Number of agencies involved

Team Facilitator: René True

Team Leader: Gene Strong

The Natural Resources & Environmental Protection Cabinet, Department of Agriculture, the Education, Arts & Humanities Cabinet, and the Tourism Development Cabinet are involved with Goal 5 in the Strategic Plan, while the Workforce Development Cabinet is involved with Goal 4. The Cabinet is participating with the Workforce Development Cabinet on the Workforce Investment Act and assisted the Secretary of State's Office in developing the Web-based One-Stop Business Licensing Program.

Tactic 1.3.3

Performance Milestones

Summary of Activities

Report annually to the Interim Joint Committee on Economic Development

Annual-Committee response

Team Facilitator: Gene Strong

Team Leader: Gene Fuqua

The Committee usually requests a presentation from the Cabinet for Economic Development annually, where Strategic Plan progress is communicated.

GOAL 2 - REDUCE UNEMPLOYMENT AND INCREASE PER CAPITA INCOME

Strategy 2.1

Pursue Existing and New Business Development

Tactic 2.1.1

Performance Milestones

Summary of Activities

Review and improve as necessary existing incentive programs

Fall 1999-Suggest needed legislative changes

Team Facilitator: Gordon Duke

Team Leader: Gordon Duke

Suggested changes were incorporated into the Cabinet's legislative proposals for the 2000 General Assembly.

Tactic 2.1.2

Performance Milestones

Summary of Activities

Increase access to industry-specific worker training and skills upgrade

Annual-Increase in training by new, expanding and existing industries

Team Facilitator: Ken Carroll

Team Leader: Tom Kelly

Bluegrass State Skills Corporation (BSSC) is developing an electronic training and employment services directory. BSSC developed a Web-site that allows for online application processing.

Tactic 2.1.3

Performance Milestones

Summary of Activities

Monitor state recruiting and establish a formal state marketing plan

Annual-Implementation of new marketing strategies

Team Facilitator: Pamela Trautner

Team Leader: Dan Tobergte

The Kentucky Marketing Oversight Committee meets quarterly to review Cabinet marketing activities and to make recommendations on new initiatives. A new advertising campaign was developed featuring testimonials from companies operating successfully in Kentucky.

Tactic 2.1.4

Performance Milestones

Summary of Activities

Develop a fully automated state industrial site and buildings database using GIS

Fall 2001-Number of times used to support recruiting or expansion

Team Facilitator: Brenda Workman

Team Leader: Susan Lambert

Installed GIS server, workstation and software. Established a test work group and agreed on data structure. Sites and Buildings GIS Information Management System was completed.

Tactic 2.1.5

Performance Milestones

Summary of Activities

Emphasize the advantages of rural Kentucky in recruiting

Annual-Number of new and expanding industry in rural areas

Team Facilitator: Drew Dennis

Team Leader: Darrell Gilliam

The team implemented numerous suggestions regarding a "rural theme" in various marketing activities including: advertising, trade shows, recruiting trips and direct mail efforts.

Strategy 2.2**Promote Entrepreneurial Activities****Tactic 2.2.1**

Performance Milestones

Summary of Activities

Fund and implement the Commonwealth Venture Fund

Annual-Number of venture capital firms established

Team Facilitator: David Bratcher

Team Leader: Jerry Rickett

One fund approved under the Kentucky Investment Fund Act during 1999.

Tactic 2.2.2

Performance Milestones

Summary of Activities

Include entrepreneurial assistance in training programs for economic developers

Annual-Number of seminars on entrepreneurship for economic development professionals

Team Facilitator: Patti Kirk

Team Leader: Wayne Foster

Entrepreneurship training for economic development professionals will be part of the Kentucky Small Business Development Center's business technical assistance providers' conference in the Summer of 2000.

Tactic 2.2.3

Performance Milestones

Summary of Activities

Identify ways to assist entrepreneurs

Annual-Projects implemented to assist entrepreneurs

Team Facilitator:

Team Leader: Jane Dirr

Final recommendations of the tactic team are 1) Develop a database of programs available that assist entrepreneurs; 2) Encourage the development of a "Career Awareness Program" at the high school level, and encourage schools to promote interaction with entrepreneur-type businesses through work/study programs designed to introduce students to all facets of a business; tours of business operations in varied industries; seminars by business owners at schools; and open discussion forums between students, guidance counselors and business owners; and 3) Draft legislation to require economics be part of the high school curriculum.

Strategy 2.3**Encourage the Establishment of Business Networks****Tactic 2.3.1**

Performance Milestones

Summary of Activities

Seek funding for Kentucky First Program

Annual-Number of matches made and dollar amounts of matches

Team Facilitator: Jim Kurz

Team Leader: Larry Shindeldecker

The tactic team proposed a Kentucky First Program to help Kentucky firms make supplier connections to keep more business in Kentucky.

Tactic 2.3.2

Performance Milestones

Summary of Activities

Identify industry sectors which are appropriate for networks and establish networks

Annual-Number of firms in networks

Annual-Number of networks established

Team Facilitator: Rodney Brown

Team Leader: Rodney Henson

Four major initiatives have been undertaken and/or supported by the Cabinet Network Staff including the Kentucky Auto/Truck Industry Council, the Kentucky Wood Alliance, the United Sourcing Alliance, LLC, and the Advanced Alliance Assistance.

GOAL 3-CREATE A GLOBALLY COMPETITIVE BUSINESS ENVIRONMENT**Strategy 3.1****Pursue the Infrastructure Necessary for Kentucky Communities and Businesses to be Competitive in the World Economy****Tactic 3.1.1**

Performance Milestones

Summary of Activities

Develop and maintain the electronic infrastructure necessary to implement an effective information strategy

June 1996-Infrastructure established

Team Facilitator: René True

Team Leader: Doug Robinson

The infrastructure for the Kentucky Information Highway is completed with connections to all courthouses, school districts, colleges and universities.

Tactic 3.1.2

Performance Milestones

Summary of Activities

Complete an annual priority listing of proposed transportation improvement projects

July 1998-Priority list completed

Team Facilitator: Drew Dennis

Team Leader: Drew Dennis

This tactic is to be revised or deleted.

Tactic 3.1.3

Performance Milestones

Summary of Activities

Create and propose a set of funding guidelines and priorities for use by state agencies in allocating resources for public utility construction important to the economic development of the Commonwealth

July 1998-Develop funding guidelines and priority funding list

Team Facilitator: David Bratcher

Team Leader: David Bratcher

The Kentucky Infrastructure Authority and the Division of Water have established priorities for public infrastructure projects in the state.

Tactic 3.1.4

Performance Milestones

Summary of Activities

Establish an effective and formal system for coordinating efforts with the state's private for-profit utility providers to improve the economic development of the Commonwealth

Annual-Report success of utility network

Team Facilitator: Dick Cirre

Team Leader: Gene Strong

HJR 95 created an Electricity Restructuring Task Force, which recommended no legislative changes for the 2000 General Assembly.

Strategy 3.2**Increase Kentuckians' Awareness of the Importance of the International Economy and Provide Knowledge on How To Participate****Tactic 3.2.1**

Performance Milestones

Summary of Activities

Develop, plan and offer informational opportunities to Kentuckians on issues related to the international economy

Annual-Number of presentations on international awareness

Team Facilitator: Peggy Pauley

Team Leader: Campbell Barnum

Six ideas were developed to increase Kentuckians' awareness of the international economy, including 1) Develop school curriculum to support international awareness; 2) Educate legislators as to the importance of the international economy; 3) Increase awareness of available international resources; 4) Increase the multipliers around the state; 5) Develop non-traditional marketing activities such as Web sites and electronic catalogs; and 6) Increase foreign language skills earlier in schools.

Tactic 3.2.2

Performance Milestones

Summary of Activities

Work with the Department of Education and the Council on Postsecondary Education to make economic development lesson plans and classes a part of the state's educational curricula

Annual-Number of primary, secondary and post-secondary schools using curricula

Team Facilitator: Jim Kurz

Team Leader: Joanne Lange

Recommendations were not funded.

Tactic 3.2.3**Use economic development professionals to educate students, business and civic leaders, and government officials on economic development and global issues**

Performance Milestones

Annual-Number of programs related to economic development

Summary of Activities

Team Facilitator: Jim Kurz

Team Leader: Louis Adams-Rogers

Recommendations were made, but funding not approved.

Strategy 3.3**Develop Legislative Initiatives and Policy Changes Reflective of a Positive Business Attitude****Tactic 3.3.1****Implement procedures and actions that result in the Cabinet for Economic Development working closely with all agencies that develop regulatory policies that affect Kentucky's globally competitive position**

Performance Milestones

Annual-Number of regulations developed jointly

Summary of Activities

Team Facilitator: Jerry Tolliver

Team Leader: Valerie Hudson

Implementing procedures and actions that affect regulatory policies and create a more globally competitive position for Kentucky is better served by the Empower Kentucky program.

Tactic 3.3.2**Formulate policies and practices that enhance the Commonwealth's international business potential by studying and analyzing political and economic conditions to ensure an accurate knowledge of Kentucky's global competition**

Performance Milestones

Annual-Number of policies or programs implemented to enhance global competitiveness

Summary of Activities

Team Facilitator: Kelly McWilliams

Team Leader: Holly Groshek

A survey of non-exporting manufacturing firms will be conducted.

Tactic 3.3.3**Develop a process to evaluate the adequacy of the state's current governmental policy to help Kentucky to be globally competitive**

Performance Milestones

Number of strategies implemented

Summary of Activities

Team Facilitator: René True

Team Leader: Joe Walters

Combined with tactic 3.3.2.

Strategy 3.4	Provide Assistance to Kentucky Companies in Assuming a Greater Role in the World Economy
Tactic 3.4.1	Implement strategies to increase the export of Kentucky products and services, and encourage and support industry based consortia for export development
Performance Milestones	Annual-Number of export consortia Annual-Number of strategies implement to increase exports Team Facilitator: Mary Beth Cordy Team Leader: Margaret Graves
Summary of Activities	The work to develop industry networks and consortia continues with three industries. The environmental technology network participated in two trade missions - Munich, Germany and Mexico City, Mexico. A brochure was designed for the secondary wood products network discussing the benefits of trade. Two seminars were held in the Fall of 1999 in Bowling Green and Louisville to educate the wood industry on exporting. The Appalachian Regional Commission is undertaking a project to offer opportunities for the secondary wood products industry in Europe. The food and kindred products network is developing, with existing networks already in place. The Cabinet's Mexico Office develops programs and opportunities for the food and kindred products industry in Mexico.
Tactic 3.4.2	Develop strategies to transfer technology to Kentucky businesses
Performance Milestones	Annual-Number of strategies implemented Team Facilitator: René True Team Leader: Joe Walters
Summary of Activities	Kentucky's Science and Technology Strategy was developed under the leadership of the Kentucky Science and Technology Corporation.

GOAL 4-MANAGE RESOURCES TO MAXIMIZE RETURN ON INVESTMENT

Strategy 4.1	Create an Effective Statewide Economic Development Organization Structure
Tactic 4.1.1	Prepare a detailed analysis of the existing economic development organizational structure and service delivery system
Performance Milestones	January 1999-Complete inventory and profile Team Facilitator: Terri Wellman Team Leader: Darrell Gilliam
Summary of Activities	The Cabinet is represented on a committee reviewing economic development programs with the Kentucky Chamber of Commerce.
Tactic 4.1.2	Create a model of Kentucky's "ideal" economic development service delivery system
Performance Milestones	Fall 1999-Create model Team Facilitator: Terri Wellman Team Leader: Darrell Gilliam
Summary of Activities	See Tactic 4.1.1 report.

Tactic 4.1.3

Performance Milestones

Summary of Activities

Compare the current structure with the “ideal” model and its criteria and standards. Based on this comparison, develop and implement a more efficient and effective organizational structure

Fall 1999-Implement new organizational structure

Team Facilitator: Terri Wellman

Team Leader: Darrell Gilliam

See tactic 4.1.1 report.

Tactic 4.1.4

Performance Milestones

Summary of Activities

Establish programs which encourage and reward regional cooperation in economic development

Annual-Number of economic development programs that encourage and reward regional cooperation

Team Facilitator: Kim Logsdon

Team Leader: Sim Davenport

The tactic team decided to promote regional economic development by building it from the ground up, by assessing an area's infrastructure potential and bringing stakeholders to the table to share resources and ideas. Goals, objectives and strategies were identified to implement regional cooperation.

Strategy 4.2

Develop Leadership and Leadership Vision, Capacity and Tools, Particularly at the Community Level

Tactic 4.2.1

Performance Milestones

Summary of Activities

Establish and implement an effective economic development leadership development program which improves the depth and quality of the leadership base at the local and regional levels, and which focuses community preparedness efforts on the development of local leadership

Annual-Number of participants in training programs Annual-Number of training programs

Team Facilitator: Janet Williamson

Team Leader: Darrell Gilliam

The Fourth Annual Governor's Economic Development Leadership Awards Banquet was held in conjunction with KIDC's Annual Meeting November 3-5, 1999 in Louisville. The conference featured recognition of 41 Centennial Businesses, 19 Founders Award winners, 2 Gray Award winners, and 4 people receiving the Governor's Economic Development Leadership Award.

Tactic 4.2.2

Performance Milestones

Summary of Activities

Assist and encourage all communities to prepare a comprehensive development plan and related economic development strategy

Annual-Number of comprehensive community plans developed

Team Facilitator: Patti Kirk

Team Leader: Darrell Gilliam

A draft revision to the team's Community Inventory Questionnaire Handbook is currently being edited. Completion is scheduled for 2000.

Tactic 4.2.3

Performance Milestones

Summary of Activities

KEEP - sponsor training seminars in existing business support for economic developers and local leaders

Annual-Number of KEEP programs implemented

Team Facilitator: Patti Kirk

Team Leader: Joe Mefford

The KEEP Program is ongoing, including the partnership between BellSouth, UK, and the Cabinet for Economic Development.

Strategy 4.3**Make the Economic Development Cabinet's Programs and Activities Effective and Accessible****Tactic 4.3.1**

Performance Milestones

Summary of Activities

Develop an evaluation process for current economic development programs and tactic teams using Cabinet staff

Annual-Number of programs evaluated

Team Facilitator: René True

Team Leader: Ernest Yanarella

Recommend contracting for program evaluation services using the tactic team's report as a guideline.

Tactic 4.3.2

Performance Milestones

Summary of Activities

Ensure that available information on each community is up-to-date and reliable, resulting in a strengthening of the relationship between the Cabinet and communities

December 1998-Implement changes to community brochures

Team Facilitator: Becke McGaughey

Team Leader: Lisa Mills

The Cabinet has implemented recommendations of the team into their community brochure publications. Community brochures updated annually rather than every two years.

Tactic 4.3.3

Performance Milestones

Summary of Activities

Identify, or create, and make available online appropriate economic development related databases of direct and immediate value to economic development professionals, community leaders and businesses

Annual-Number of visits to Web site

March 1999-Redesign of web site completed

Team Facilitator: René True

Team Leader: Joe Mefford

Web site redesigned in 1999. Calendar of events and staff contact information added to Web site. "Where to find financing" section was enhanced.

Strategy 4.4**Develop a Coherent and Integrated Workforce Training Delivery System****Tactic 4.4.1**

Performance Milestones

Summary of Activities

Evaluate training activities funded by or designed to serve economic development by creating a working level task force with broad authority

Annual-Number of requests for employee screening and testing

Annual-Business response to new training organization

Team Facilitator: Ken Carroll

Team Leader: Allen Rose

Governor Patton appointed the Kentucky Workforce Investment Board charged with leading Kentucky's efforts to establish a workforce development system that is easy to use, customer driven, focused on results and continually improving. The Board approved a five-year strategic plan and established four committees to concentrate efforts on funding, business and industry, accountability, and legislative issues.

Tactic 4.4.2

Performance Milestones

Summary of Activities

Create a state-level training information and services clearinghouse

Annual-Number of customer using clearinghouse Spring 2000-Develop clearinghouse

Team Facilitator: Glenna Glass

Team Leader: Steve Allen

The Workforce Investment Act (WIA) Implementation Team was established to develop an inclusive, collaborative approach for system design. The Team meets every two months to discuss issues associated with the local and statewide implementation of WIA. Final recommendations are scheduled for January 2000.

Strategy 4.5**Revise and Improve the Regulatory Processes****Tactic 4.5.1**

Performance Milestones

Summary of Activities

Maintain a Regulatory Expediting Center within the Economic Development Cabinet that includes coordination of a Single Point of Contact Program

Annual-Number of agencies which establish single point of contact

Team Facilitator: Jerry Tolliver

Team Leader: Valerie Hudson

Empower Kentucky is addressing the issues of this tactic.

Tactic 4.5.2

Performance Milestones

Summary of Activities

Have the Economic Development Cabinet work closely with the Natural Resources Cabinet in the development of environmental regulations which affect business

Annual-Number of regulations developed cooperatively

Team Facilitator: Jerry Tolliver

Team Leader: Valerie Hudson

Tactic merged with Tactic 3.3.1.

GOAL 5-MANAGE KENTUCKY'S NATURAL RESOURCES AND CULTURAL ASSETS TO ENSURE LONG-TERM PRODUCTIVITY AND QUALITY OF LIFE**Strategy 5.1****Promote Sustainable Management of Kentucky's Environmental Assets****Tactic 5.1.1**

Performance Milestones

Summary of Activities

Provide environmental asset and secondary wood industry training to economic development professionals

Annual-Number of training sessions held

Team Facilitator: Bill Morris

Team Leader: Steve Kull

Staff of the Department of Natural Resources presented the report and recommendations prepared on this tactic. Funding has not been secured, but options are being investigated.

Tactic 5.1.2

Performance Milestones

Summary of Activities

Support the efforts of the Kentucky Forest Stewardship Act

Spring 1998-Favorable action by legislation

Team Facilitator: Bill Morris

Team Leader: Steve Kull

The Kentucky Forest Conservation Act passed the 1998 General Assembly.

Tactic 5.1.3

Performance Milestones

Summary of Activities

Promote incentives for development of the secondary wood industry

Annual-Number of secondary wood industry facilities expanding or locating in Kentucky

Team Facilitator: Bill Morris

Team Leader: Mark Kaser

A pilot project is being prepared to equip a selected community with the tools needed for the application/location/expansion process in the secondary wood manufacturing industry, as a means of boosting a specific location's development potential.

Tactic 5.1.4

Performance Milestones

Summary of Activities

Support the efforts of the Department for Surface Mining Reclamation and Enforcement to promote development of post-mine land uses for long-term economic growth

Annual-Number of post-mine land sites developed for economic growth

Team Facilitator: Bob Fouts

Team Leader: Paul Hall

The tactic team set the goal of obtaining funds from the Abandoned Mined Land Funds for economic development purposes. The team is gathering information on the use of funds in other states, types of projects these funds could finance, and ways of administering the funds.

Tactic 5.1.5

Performance Milestones

Summary of Activities

Promote development of business recruitment and tourism with a focus on minimizing harmful waste management practices

Annual-Number of industry and tourism projects that minimize harmful waste management practices

Team Facilitator: Dick Cirre

No recommendations to report.

Strategy 5.2**Promote Expanded Opportunities for Value-Added Agri-Business, Enhanced Marketing Efforts and State Financing Programs****Tactic 5.2.1**

Performance Milestones

Summary of Activities

Monitor and support the efforts of the Ag Marketing Advisory Board and Ag 2000

Annual-Progress of the Ag Marketing Advisory Board and Ag 2000

Team Facilitator: Smith Mitchell

Team Leader: Gene Strong

The Cabinet is represented at Ag Marketing Advisory Board meetings, and activities are reported to Secretary Strong.

Tactic 5.2.2

Performance Milestones

Summary of Activities

Implement commodity marketing projects

Annual-Number of commodity marketing projects implemented

Team Facilitator: Don Goodin/David Bratcher Team Leader: Jim Mansfield

Cabinet for Economic Development staff assisted the Kentucky Department of Agriculture in reviewing grant applications for commodity marketing projects and other assistance programs for agricultural producers. Funds were awarded by the Department of Agriculture twice during 1999.

Tactic 5.2.3

Performance Milestones

Summary of Activities

Promote incentive programs for value-added agri-business

Annual-Number of value-added agri-businesses expanding or locating in Kentucky

Team Facilitator: Don Goodin/David Bratcher Team Leader: Todd Barlow

See report for Tactic 5.2.2.

Tactic 5.2.4

Performance Milestones

Summary of Activities

Evaluate and recommend financial assistance programs for agricultural producers

Annual-Number of enhancements to financial assistance programs

Team Facilitator: Don Goodin/David Bratcher Team Leader: Vertress Warner

See report for Tactic 5.2.2.

Strategy 5.3**Promote and Develop Kentucky's Cultural and Historical Assets as Tools for Economic and Tourism Development****Tactic 5.3.1**

Performance Milestones

Summary of Activities

Develop and implement a plan to maximize the use of state, federal and private funds for programs to increase the economic and tourism development impact of local and regional, cultural, historical and natural assets

Fall 1999-Completion of heritage/cultural development guide

Team Facilitator: Brenda Rice Team Leader: Lou DeLuca

A tactic implementation committee, made up of Education, Arts & Humanities and Tourism Development Cabinet staff to implement Tactic 5.3.1, will coordinate with the regional tourism planning being done under Tactic 5.4.3. The committee plans to compile a sourcebook of technical assistance available, listing all state, federal and private programs and fund sources which impact heritage, cultural or tourism development.

Tactic 5.3.2

Emphasize cultural, historical and natural asset quality of life in economic and tourism development marketing and publications

Performance Milestones

Annual-Amount of space devoted to cultural and natural assets in Economic Development marketing

Team Facilitator: Pamela Trautner

Team Leader: Alan Fowler

Summary of Activities

Tactic 5.3.2 is incorporated into Tactic 2.1.3. The following steps are included in the revised state industrial marketing plan: 1) Encourage local economic development agencies to identify natural and cultural assets in their areas; 2) Include summaries of natural and cultural assets in the Cabinet's community brochures and other informational packets as deemed appropriate; and 3) Work with the Tourism Development Cabinet to establish a "Quality of Life" brochure.

Tactic 5.3.3

Include cultural, heritage and tourism leaders in economic development planning and leadership training; and provide incentives and technical assistance to communities for the inclusion of cultural/heritage/tourism planning in community development plans

Performance Milestones

Annual-Number of community comprehensive development plans including cultural, heritage and tourism issues

Annual-Number of training sessions held

Team Facilitator: Craig Kelly

Team Leader: David Morgan/Gerri Combs

Summary of Activities

Tactic Team 5.3.3 is working toward achieving the following actions: 1) Add cultural/heritage/tourism representation to tactic teams 4.2.1 & 4.2.2; 2) Add cultural/heritage/tourism issues to the Community Planning and Development Handbook distributed by the Cabinet; 3) Create a team of cultural, heritage and tourism leaders to offer expertise to communities; 4) Add cultural, heritage and tourism issues in the economic development training offered by the Cabinet; 5) Include cultural, heritage and tourism leaders in economic development training; and 6) Establish a training course, offered by cultural, heritage and tourism leaders, for economic development professionals and community leaders.

Tactic 5.3.4

Expand local, regional, national and international markets for Kentucky crafts and cultural, historical and agricultural products, including a strong emphasis on these products in state facilities

Performance Milestones

Annual-Total sales and exports of Kentucky crafts

Annual-Number of outlets selling Kentucky crafts

Fall 1998-Develop catalog of Kentucky produced crafts and products

Team Facilitator: Sara Bell

Team Leader: Fran Redmon

Summary of Activities

Work on a master plan for Kentucky's crafts and cultural and historical assets is underway. A two-day "product development" workshop was held Sept 28 & 29, 1999, at the Kentucky History Center.

Strategy 5.4

Promote and Develop the Tourism Industry

Tactic 5.4.1

Implement the master plan for tourism development, which ties it to the overall economic development strategy

Performance Milestones

Annual-Report of master plan progress

Team Facilitator: Jane Sullivan

Team Leader: Ann Latta

Summary of Activities

The Tourism Development Cabinet now publishes county profiles of Tourism industry resources. These profiles will enable potential entrepreneurs in the tourism industry to assess each county's tourism environment. The Tourism Development Cabinet continues to implement the Tourism Development Master Plan.

Tactic 5.4.2

Actively seek tourism projects with significant economic impact

Performance Milestones

Annual-Number of tourism projects approved under Kentucky Tourism Development Act

Team Facilitator: Tom Hoehner

Team Leader: David Lovelace

Summary of Activities

The Tourism Development Cabinet is developing a marketing piece on the Kentucky Tourism Development Act (KTDA) for mailing to tourism developers, preparing an ad on KTDA for tourism periodicals, and promoting KTDA in magazine and newspaper editorials. Since KTDA was passed, three projects have been approved and a fourth project received preliminary approval. The Tourism Development Cabinet is also seeking interest from the private sector in building lodges at eight underdeveloped state parks.

Tactic 5.4.3

Develop and implement regional tourism development plans

Performance Milestones

Annual- Progress of regional plans

Team Facilitator: Melissa Wheeler-Scott

Team Leader: Debbie Giannini

Summary of Activities

Tourism regional development plans for nine regions covering the state are final and have been submitted to each region for implementation.

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